

IN THE MATTER OF:

WAR CREDIT LAB, LLC

Respondent.

BEFORE THE MARYLAND

COMMISSIONER OF

FINANCIAL REGULATION

Case No.: CFR-FY2018-55

ORDER TO CEASE AND DESIST

1. On or about March 19, 2018, the Office of the Commissioner of Financial Regulation ("OCFR") in the Maryland Department of Labor, Licensing and Regulation sent written notice, by first class mail, postage prepaid to War Credit Lab, LLC ("Respondent") c/o Rufus Ayeni, which is licensed by the OCFR as a credit services business under license number 28-99, advising that the Respondent was required, as the result of a change in the law in 2017, to transition its license to the Nationwide Multistate Licensing System & Registry ("NMLS") within the two month period established by the Commissioner of Financial Regulation ("Commissioner"). Respondent and Rufus Ayeni failed to respond to the notice and to complete the transition as required by law.

2. War Credit Lab, LLC is licensed as a credit services business in Maryland and is required to have a license issued by the OCFR pursuant to Md. Code Ann., Commercial Law Article ("CL") § 14-1903 to operate as a credit services business. CL § 14-1901(e)(1) defines a "credit services business" to mean:

...any person who, with respect to the extension of credit by others, sells, provides, or performs, or represents that such person can or will sell, provide, or perform, any of the following services in return for the payment of money or other valuable consideration:

- (i) Improving a consumer's credit record, history, or rating or establishing a new credit file or record;
- (ii) Obtaining an extension of credit for a consumer; or
- (iii) Providing advice or assistance to a consumer with regard to either subparagraph (i) or (ii) of this paragraph.

3. War Credit Lab, LLC currently holds license number 28-99, which authorizes Respondent to operate as a credit services business in the State of Maryland. Rufus Ayeni is registered with the OCFR as Principal Contact for the Respondent for licensing and compliance matters.

4. The Commissioner established the period of August 1, 2017 through September 30, 2017 as the transition period for licensees to obtain a NMLS identifier and to transfer their licensing information to the NMLS. September 30, 2017 was the deadline for licensees to complete the transition in accordance with FI § 11-203.1.

5. An invoice to pay a fee of \$498.00 to extend the license from June 1, 2019 to December 31, 2019 was issued to the Respondent on August 2, 2017. Payment was due by September 30, 2017.

6. By letter dated March 19, 2018, the OCFR provided written notice to the Respondent that the fee to extend the license was required by law to be paid to the OCFR by April 16, 2018. The letter advised that if the fee was not paid by the deadline established by the Commissioner, administrative action would be initiated against the Respondent that could result in the revocation or suspension of the Respondent's credit services business license for failure to comply with the law.

7. On March 22, 2018, the OCFR sent a written notice by mail, postage prepaid, to Respondent c/o Rufus Ayeni, at the address of record provided to the OCFR, advising that the Respondent was required by law to transition its credit services business license to the NMLS. Respondent did not respond to the March 22nd notice and failed to complete the transition of the license within the two month period established by the Commissioner.

8. On April 6, 2018, a second notice was sent by first class mail, postage prepaid, to Respondent c/o Rufus Ayeni, again advising of the requirement to pay the fee on or before April 16, 2018, or be subject to administrative sanction by the Commissioner. Respondent failed to respond to the notice or comply with the requirement to pay the fee before the April 16, 2018 deadline.

9. On April 6, 2018, the OCFR sent a separate written notice by mail, postage prepaid, to Respondent c/o Rufus Ayeni, at the address of record provided to the OCFR, again advising that the Respondent was required by law to transition its credit services business license to the NMLS. Respondent did not respond to the April 6th notice and failed to complete the transition of the license within the two month period established by the Commissioner.

10. Respondent failed to complete the transition of the license to the NMLS and to pay the \$498.00 fee that was required by law to be paid in connection with the extension of the credit services business license.

11. Pursuant to the authority granted to the Commissioner under CL, Title 14, Subtitle 19, upon providing a person the opportunity for a hearing, the Commissioner may issue an order to a licensee to cease and desist from conduct or a course of conduct if the conduct results in a violation of the subtitle or a regulation adopted under the subtitle. Financial Institutions Article ("FI") § 11-203.1, which governs the licensing process for credit services business, provides:

During the time period established by the Commissioner under subsection (d) of this section, each licensee shall:

- (1) Obtain and maintain a valid unique identifier issued by NMLS when an account is created with NMLS;
- (2) Transfer licensing information to NMLS; and
- (3) Pay to the Commissioner a license extension fee calculated in accordance with subsection (d)(5) of this section.

12. The Respondent violated Maryland law by failing to complete the transition of the license to the NMLS and to pay the \$498.00 fee in connection with the extension of the credit services business license, and should cease and desist from operating as a credit services business in the State until in full compliance with all laws, regulations, and rules attendant thereto.

Right to a Hearing

13. Pursuant to CL § 14-1911, Respondent is hereby given notice that they have a right to a hearing before the Commissioner on this Order to Cease and Desist ("ORDER") pursuant to the hearing provisions set out in CL § 14-1911. The purpose of the hearing would be to determine whether this ORDER should be vacated, modified, or entered as a final ORDER of the Commissioner.

13. If Respondent fails to request a hearing and fails to provide evidence to the Commissioner that they have taken affirmative action to correct the violations within fifteen (15) days of receipt of this ORDER, then the Respondent shall be deemed to have waived its right to a hearing and the allegations contained in the ORDER shall be deemed to be true and this ORDER will become a Final Cease and Desist Order of the Commissioner.

14. The ORDER will remain in full force and effect until modified or vacated by the Commissioner based on notice to the Commissioner of the Respondent's correction of the violations cited in the ORDER or good cause shown.

15. Pursuant to Md. Code Ann., State Government Article ("SG") §§ 10-206.1(a) and (b) and Code of Maryland Regulations (COMAR) 09.01.02.08, the Respondent is hereby given notice that: an agency may not grant the right to practice law to an individual who is not authorized to practice law in Maryland; interfere with the right of a lawyer who is authorized to practice law in Maryland to practice before an agency or the Office of Administrative Hearings; or prevent any party from being advised or represented at the party's own expense by an attorney or, if permitted by law, other representative.

16. Respondent is hereby given notice that an individual party may request a hearing and appear at a hearing in person or through an attorney authorized to practice law in Maryland. A business entity may only request a hearing and appear at a hearing through an attorney authorized to practice law in Maryland.

17. Respondent is hereby given notice that any requests for a hearing in this matter must conform to the requirements stated above, must be in writing, must be signed by the party,

and/or the attorney representing the party, requesting the hearing, and must be submitted to the following address within fifteen (15) days of the date of receipt of this ORDER:

Carmen R. Flowers, Administrator
Office of the Commissioner of Financial Regulation
500 North Calvert Street, Suite 402
Baltimore, Maryland 21202

ORDER TO CEASE AND DESIST

18. Having determined that Respondent has engaged in acts and practices over which the Commissioner has jurisdiction and that constitute violations of laws enforced by the Commissioner, and that immediate action against the Respondent to enforce those laws is in the public interest, it is this 22nd day of May, 2019, by the Maryland Commissioner of Financial Regulation:

ORDERED that Respondent, War Credit Lab, LLC, and Rufus Ayeni shall immediately **CEASE** and **DESIST** from violating CL § 14-1903 and FI § 11-203.1 and the rules and orders of the Commissioner cited in this ORDER and shall immediately **CEASE** and **DESIST** from operating as a credit services business in Maryland from the date of this ORDER until the ORDER is modified or vacated as the result of notice of the Respondent's correction of the violations or other good cause is shown.


Teresa M. Louro
Deputy Commissioner